



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012**

Thursday, March 19, 2015

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (15-1373)

Attachments: [AUDIO](#)

Present: Lori Glasgow, Vice Chair James Blunt, Dorinne Jordan,
Kieu-Anh King and Carl Gallucci

I. ADMINISTRATIVE MATTERS

1. Call to Order. (15-1064)

The meeting was called to order by Lori Glasgow at 10:37 a.m.

2. Approval of the February 19, 2015 meeting minutes. (15-1065)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICY

3. Recommendation to extend the sunset review date of Board Policy No. 4.090 - County of Los Angeles, California Board of Supervisors Policy, to April 5, 2019). (15-1120)

On motion of James Blunt, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

III. OLD BUSINESS

4. Sodexo America, LLC - A Department of Health Services Housekeeping Services Contract Service Provider - Contract Compliance Review (9/30/14) (Continued from the meetings of 10/15/14, 12/17/14 and 1/21/15). (14-4504)

Kathy Hanks, Director for Contracts and Grants, Department of Health Services (DHS), provided an update on the housekeeping review for the agency. In response to questions posed by the Committee, Ms. Hanks indicated that there were two areas identified that required attention; cleanliness of patient care and non-patient care areas; review of the corrective action plan is in process. Ms. Hanks added that negotiations regarding staffing levels and contractual language are currently in progress.

On motion of Lori Glasgow, and by Common Consent, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

5. Department of Public Social Services - Information Technology and Security Policies Review (12/22/14)(Continued from the meetings of 1/21/15 and 2/19/15). (15-0300)

Dorinne Jordan questioned the use of a schedule regarding Departmental Information Technology (IT) compliance and policy reviews. Robert Smythe, Auditor Controller (A-C), indicated that a time schedule is part of the audit plan; however, departments with larger IT infrastructures and sensitive data such as Department of Health Services (DHS), Department of Public Social Services (DPSS), and the Department of Children and Family Services (DCFS), will be targeted first.

Dorinne Jordan questioned the process involved in terminating IT access of DPSS systems once an employee has been transferred or terminated. Mr. Smythe indicated that as part of the exit process, employees are de enrolled from the system. Arlene Barrera, A-C, added that in an effort to ensure compliance, DPSS has reinforced their exit procedures.

James Blunt asked how terminated employees retained access to the system. Ms. Barrera indicated that terminated employees may not have been deactivated from the system and may have shared their password with someone else such as a supervisor or co-worker. Ms. Barrera provided an overview of the exit process.

Lori Glasgow asked A-C staff to provide an update regarding DPSS's exit procedures at the next meeting.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 6.** Recommendation to extend the sunset review date of Board Policy No. 5.070 - Multi-Year Services Contract Cost of Living Adjustments to March 18, 2017(12/24/14)(Continued from the meetings of 1/21/15 and 2/19/15). (15-0305)

On motion of James Blunt, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

- 7.** Recommendation to approve substantive changes to Board Policy No. 5.055 - Services Contract Solicitation Protest, extend the sunset review date to March 31, 2019 and submit to the Board of Supervisors for final action (1/20/15)(Continued from the meeting of 2/19/15). (15-0734)

Kieu-Anh King requested that this item be continued to the next meeting to allow ISD time to revise the policy.

Joe Sandoval, Internal Services Department (ISD) agreed with continuing the item.

Lori Glasgow requested clarification on who assumes the lead regarding solicitations and would like the website to have a vendor friendly approach. Mr. Sandoval indicated that vendors filter the notifications they would like to receive and ISD is in the process of using social media to reach a wider vendor population. Ms. Glasgow questioned follow up procedures regarding emails. Mr. Sandoval confirmed that follow up does occur.

Lori Glasgow requested ISD staff to provide suggestions on improving the policy at the next meeting.

On motion of Lori Glasgow, and by Common Consent, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

8. Recommendation to extend the sunset review date of Board Policy No. 3.120 - Departmental Conflict of Interest and Disclosure Codes, to March 20, 2019 (Continued from the meeting of 1/21/15). (15-0361)

On motion of James Blunt, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

9. Department of Mental Health - Controls Over County Credit Cards (2/2/15). (15-0728)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

10. Community and Senior Services - Payroll/Personnel (2/3/15). (15-0729)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

11. Recommendation to approve substantive changes to Board Policy No. 3.045 - Energy and Environmental Policy, extend the sunset review date by four years and submit to the Board of Supervisors for final action (2/11/15)(Continued from the meeting of 2/19/15). (14-5040)

Kieu-Anh King questioned the public's accessibility to reports regarding environmental sustainability through the Board's website. Aaron Klemm, Internal Services Department (ISD) indicated that links to reports regarding sustainability goals, objectives, metrics and compliance will be provided.

In regards to questions posed by Kieu-Anh King, Mr. Klemm confirmed that usage of the current tracking system used to measure greenhouse gas emissions and County facility energy use will be continued.

Kieu-Anh King questioned the timeframe for implementing the policy. Mr. Klemm indicated that upon the Board's approval of the policy a work group will be convened.

On motion of Kieu-Anh King, seconded by James Blunt, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

12. Department of Public Works - Commitments, Accounts Payable, and Trust Funds Review (2/3/15). (15-0731)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

13. Probation Department - Cellular Telephones and Other Wireless Data Devices Review (2/3/15). (15-0732)

On motion of James Blunt, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

IV. REPORTS

14. Public Safety Realignment Act (AB 109) Review - Lower Risk Departments - Fiscal Year 2013-14 (2/13/15) (15-1070).

Agenda Item Nos.14 and 17 were discussed jointly.

Dorinne Jordan expressed concern regarding the agency's practice of inaccurately reporting overhead costs. Robert Smythe, Auditor Controller (A-C), indicated that when these types of fiscal issues are identified, A-C staff will assist the agency and direct them to the County Fiscal Manual.

Dorinne Jordan questioned if the inaccurate reports were related to the funding source for AB 109 or if it was the method used by the agency. Mr. Smythe indicated that the issue can be related to both, the funding source and the methods used by the agency. John Naimo, A-C, indicated that the reporting issue was related to the method used in determining and allocating costs for the AB109 funding source. Mr. Naimo added that changes to the calculation methods are in process.

Dorinne Jordan asked for this item to be referred to the Justice Deputy Cluster.

Lori Glasgow asked Agenda Item No. 17 also be referred to the Justice Deputy Cluster and be continued to a future Audit Committee meeting.

On motion of Dorinne Jordan, seconded by James Blunt, this item was referred to the Justice Deputy Cluster and continued to a future Audit Committee meeting.

Attachments: [SUPPORTING DOCUMENT](#)

15. Office of the Assessor - Unsecured Property Systems Review (Board Agenda Item 36-A, April 10, 2012) (2/17/15). (15-1071)

On motion of James Blunt, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

16. Fiscal Year 2014-15 Second Quarter Report on Audit Related Funding Transferred from General Fund Departments (2/18/15). (15-1072)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

17. Public Safety Realignment Act (AB109) Review - Sheriff's Department - Fiscal Year 2013-14 (2/19/15). (15-1074)

This Item was discussed under Agenda Item No. 14.

After discussion, on motion of Dorinne Jordan, seconded by James Blunt, this item was referred to the Justice Deputy Cluster and continued to a future Audit Committee meeting.

Attachments: [SUPPORTING DOCUMENT](#)

18. Fiscal Year 2014-2015 Cash Flow Projection (2/19/15). (15-1079)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

19. Pathways LA - A Department of Public Social Services CalWorks Stage One Child Care Services Program Provider - Follow-up Review (2/19/15). (15-1085)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

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20. Fire Fighter Trainee Examination Improprieties - Case #2014-9407 (2/20/15). (15-1086)

On motion of Dorinne Jordan, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Child Care Resource Center - A Department of Public Social Services Calworks Stage One Child Care Services Program Provider - Contract Compliance Review (2/23/15). (15-1084)

Kieu-Anh King questioned the agency's cost allocation process. Princess Nelson, Auditor Controller (A-C), indicated that the agency was asked to re-allocate costs for the 2013-14 and 2012-13 Fiscal Years (FY); the agency has submitted a report of re-allocated costs for the 2013-14 FY and requested an extension for the 2012-13 FY. Ms. Nelson indicated that an update will be provided by the Department of Public Social Services (DPSS) at the next quarterly contract review. Don Chadwick, A-C, stressed the importance for the agency to adopt proper allocation practices. In response to questions posed by Kieu-Anh King, Ms. Nelson indicated that the current contract has specific provisions regarding proper reporting practices; the agency's contract will expire at the end of June 2015.

On motion of Kieu-Anh King, seconded by James Blunt, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. Internal Control Certification Program for Fiscal Year 2014-15 (2/23/15). (15-1087)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Servicon Systems, Inc. - A Department of Health Services Housekeeping Services Contract Service Provider - Contract Compliance Review (3/2/15) (15-1114)

On motion of James Blunt, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

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24. Behavioral Health Services, Inc. - A Department of Mental Health Service Provider - Program Preview (3/3/15). (15-1115)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

25. Tarzana Treatment Centers - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (3/3/15). (15-1118)

On motion of James Blunt, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

26. Contractor Alert Reporting Database Status Report - March 2015. (15-1213)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

27. Treasurer's February 17, 2015 Cash Count (3/12/15). (15-1230)

On motion of James Blunt, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

28. Draft 2015-16 Audit Plan. (15-1123)

Robert Smythe and Arlene Barrera, Auditor Controller (A-C), provided a brief overview of the Draft Audit Plan and answered questions posed by the Committee.

Lori Glasgow requested that A-C staff provide a report back that includes a balance at the next meeting.

Dorinne Jordan questioned if Group Home and Department of Children of Family Services audits will be included in the audit plan. Ms. Barrera indicated that these audits fall under the contract monitoring section; the contract audit reports are currently in progress and will be included.

Dorinne Jordan asked A-C staff to provide a consolidated audit plan to include contract monitoring audits.

Dorinne Jordan questioned if the Draft Audit Plan is discussed with Board members. John Naimo, A-C, indicated that it has not been done in the past and is open to the opportunity.

Discussion regarding the Draft Audit Plan ensued.

On motion of Carl Gallucci, seconded by Kieu-Anh King, this item was continued to the May 2015 meeting.

Attachments: [SUPPORTING DOCUMENT](#)

V. DISCUSSION

29. Pending Audits/Monitoring Reports. (15-1066)

Elaine Boyd, Auditor Controller (A-C), referenced Santa Anita Family Service, Inc., and indicated that Community and Senior Services (CSS) has not received supporting documentation in regards to the agency's expenditures; the agency will be placed on suspension and possibly terminated if documents are not submitted by March 31, 2015. A search for future placements is currently in progress.

Don Chadwick, A-C, informed the Committee that L.A. Works has filed an appeal. A search for cases to substantiate the questioned costs is in progress. Arlene Barrera, A-C, indicated that the department will be responsible for repaying federal funds.

VI. MISCELLANEOUS

30. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (15-1067)

30. A Lori Glasgow requested a discussion item be placed on the next agenda regarding the Audit Committee's role in keeping the Board informed of high profile audits.

31. Public Comment. (15-1068)

No members of the public addressed the Committee.

32. Adjournment. (15-1069)

On motion of Carl Gallucci, seconded by James Blunt, there being no objection, the Committee adjourned the meeting at 11:31 a.m.

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